

ESO 2213

PRE-PLANT OUTLOOK

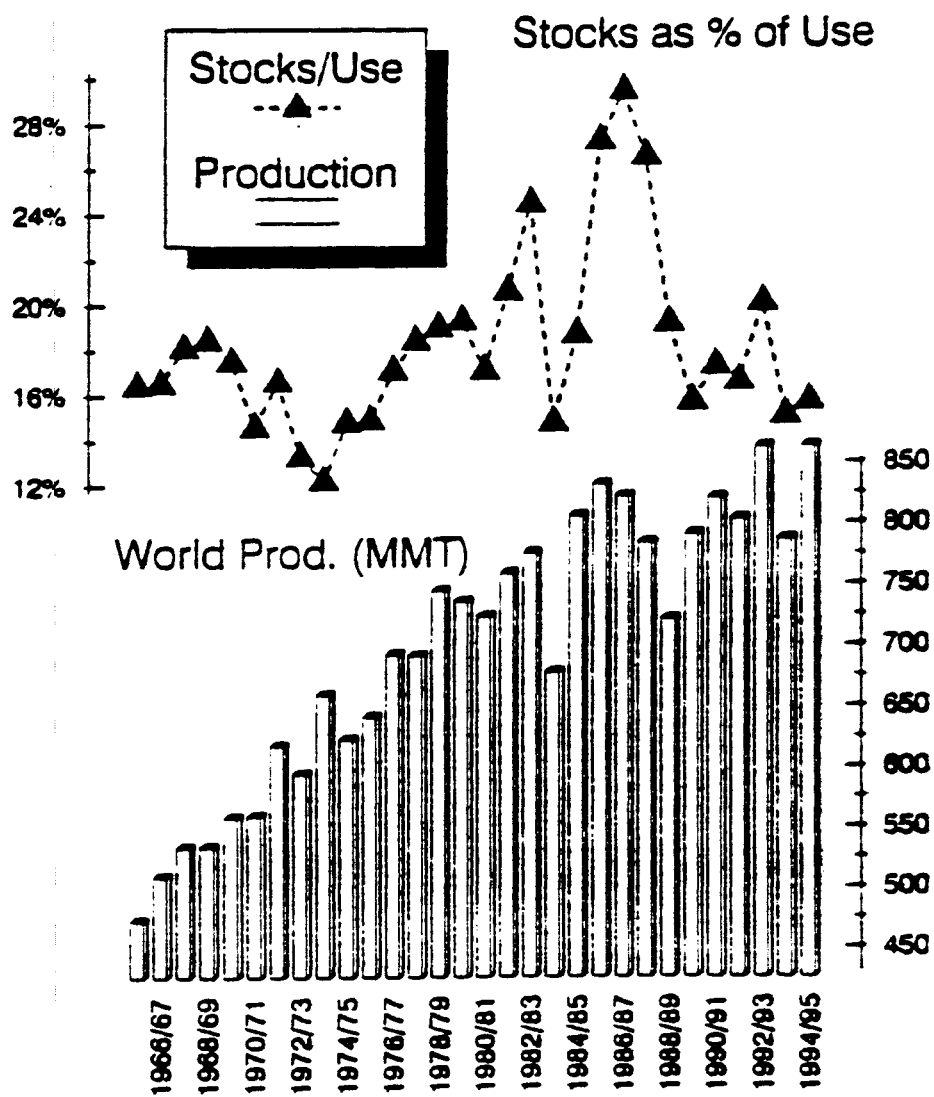
by

Allan E. Lines

Department of Agricultural Economics
Ohio State University

March 1995

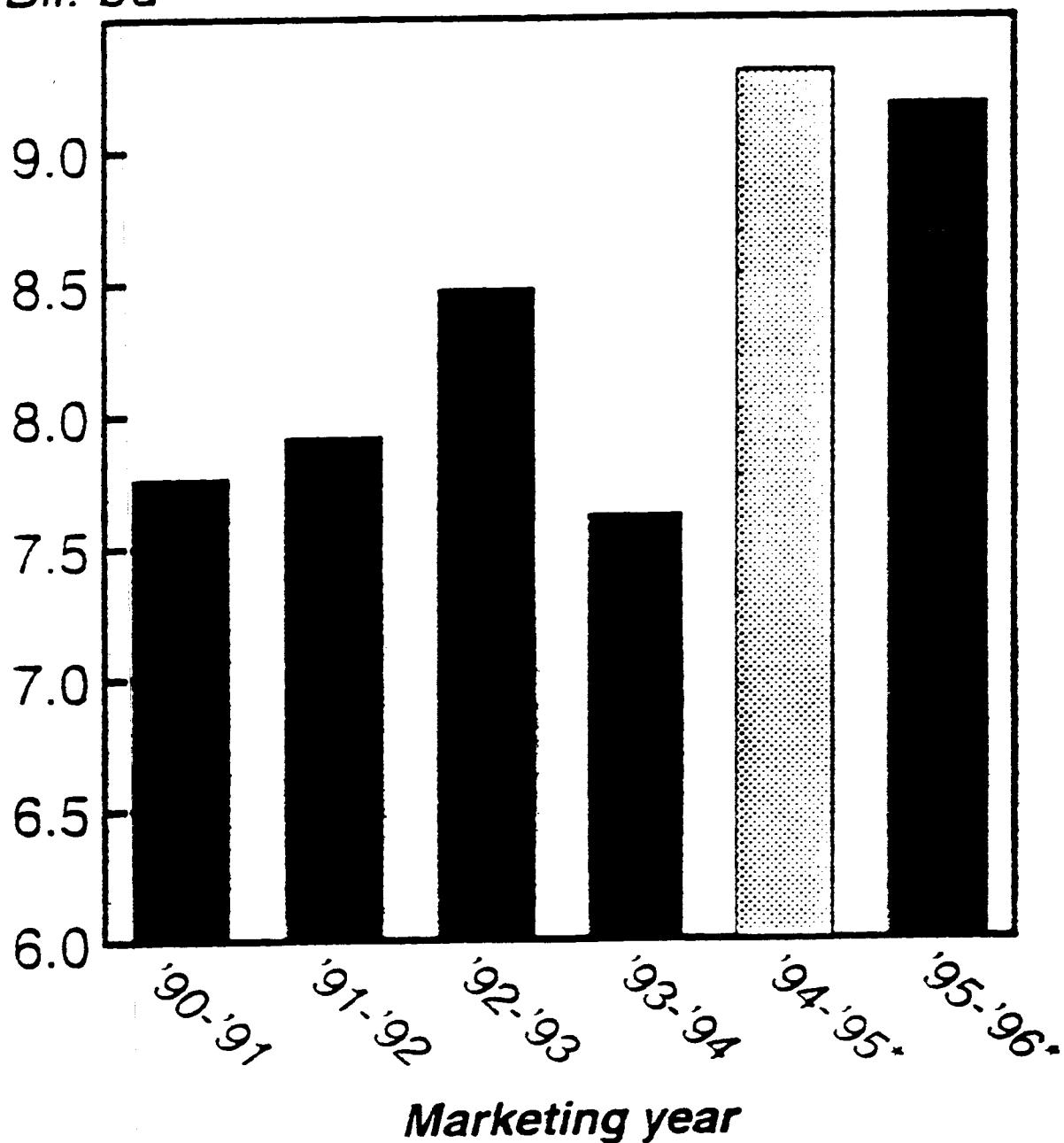
**WORLD COARSE GRAIN STOCKS RISE SLIGHTLY
DUE TO RECORD U.S. & WORLD PRODUCTION**



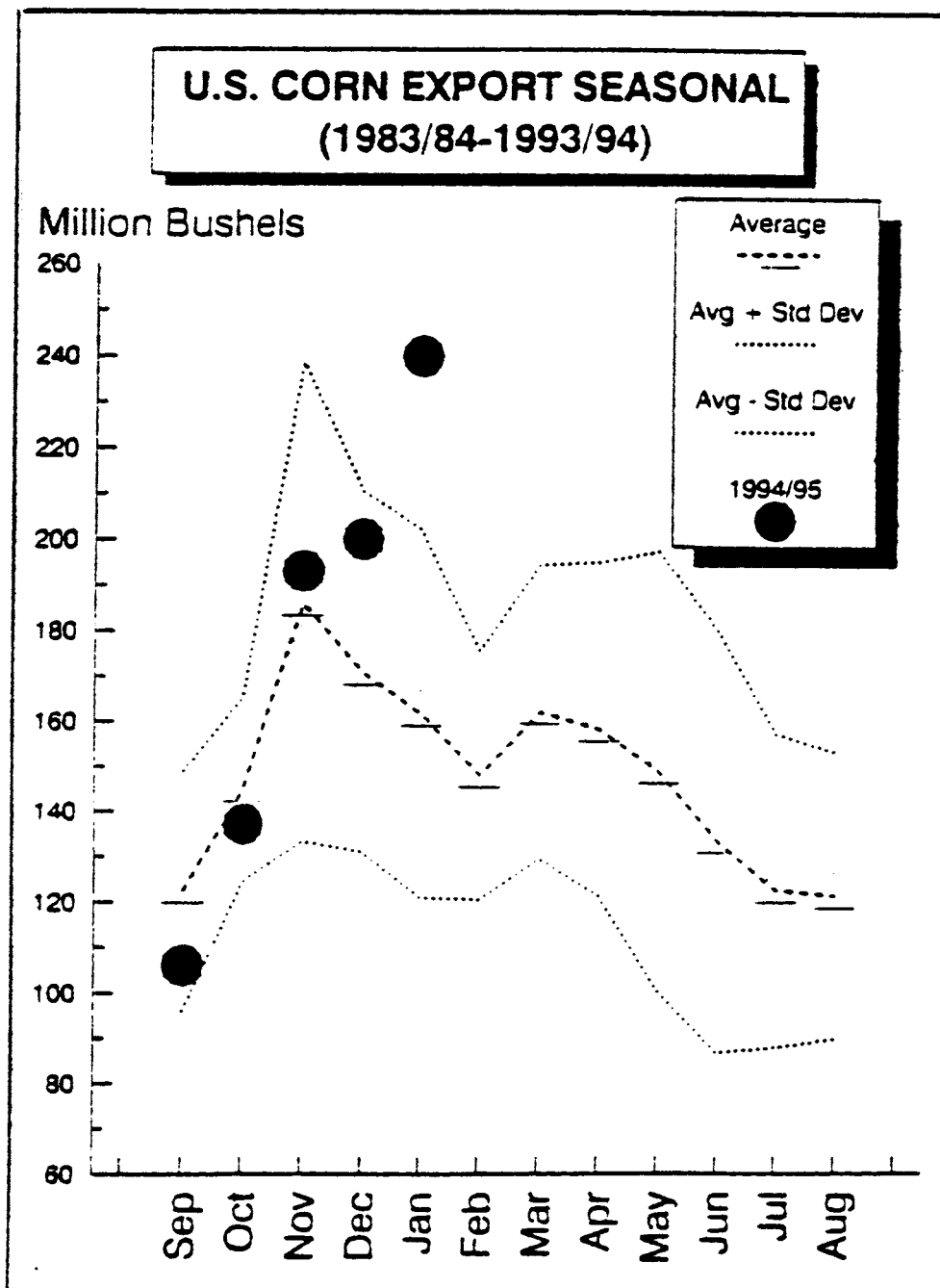
RECORD CORN DEMAND

(Total Usage)

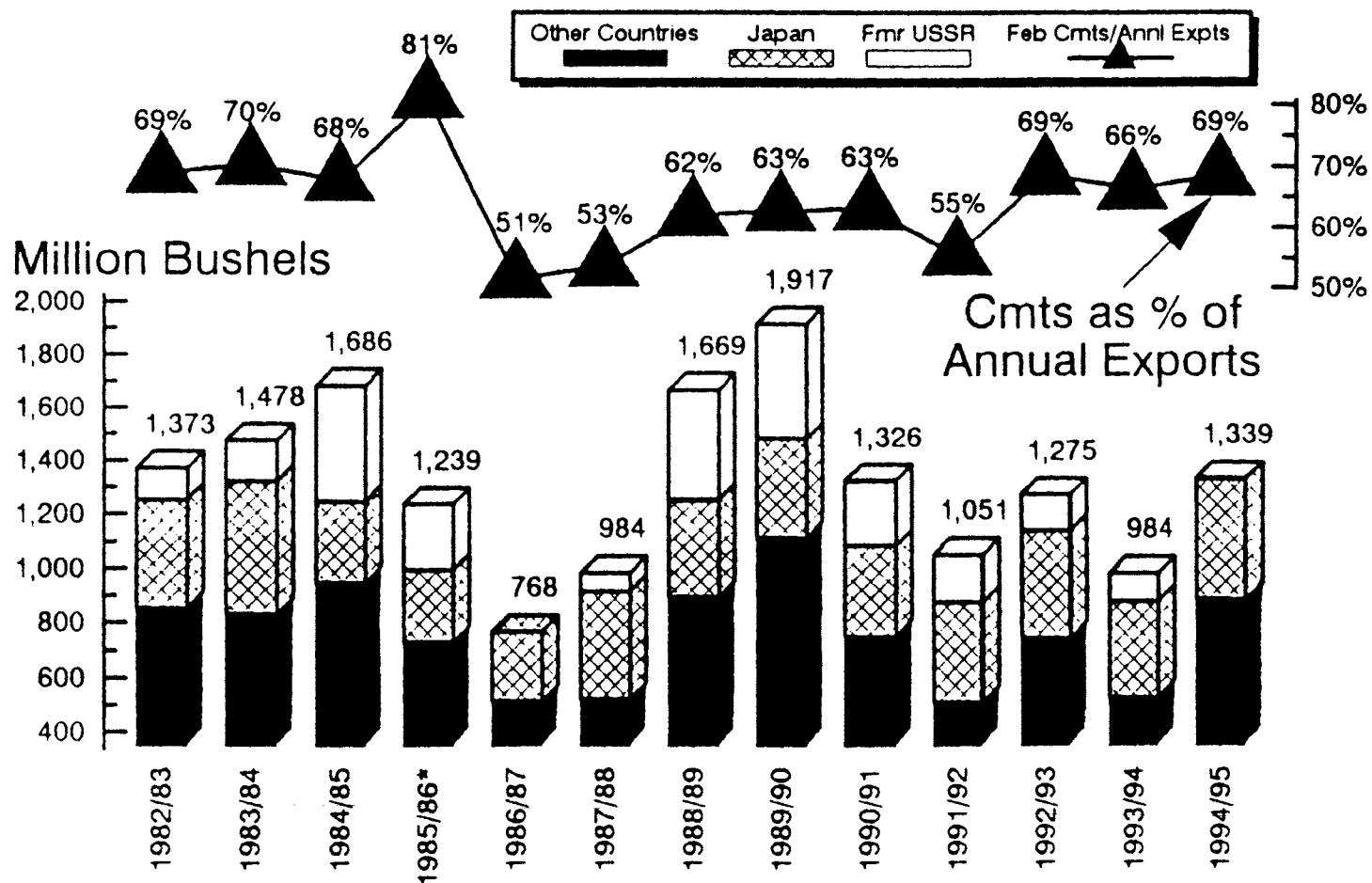
Bil. bu



* USDA '94-'95 estimate; Doane '95-'96 forecast.

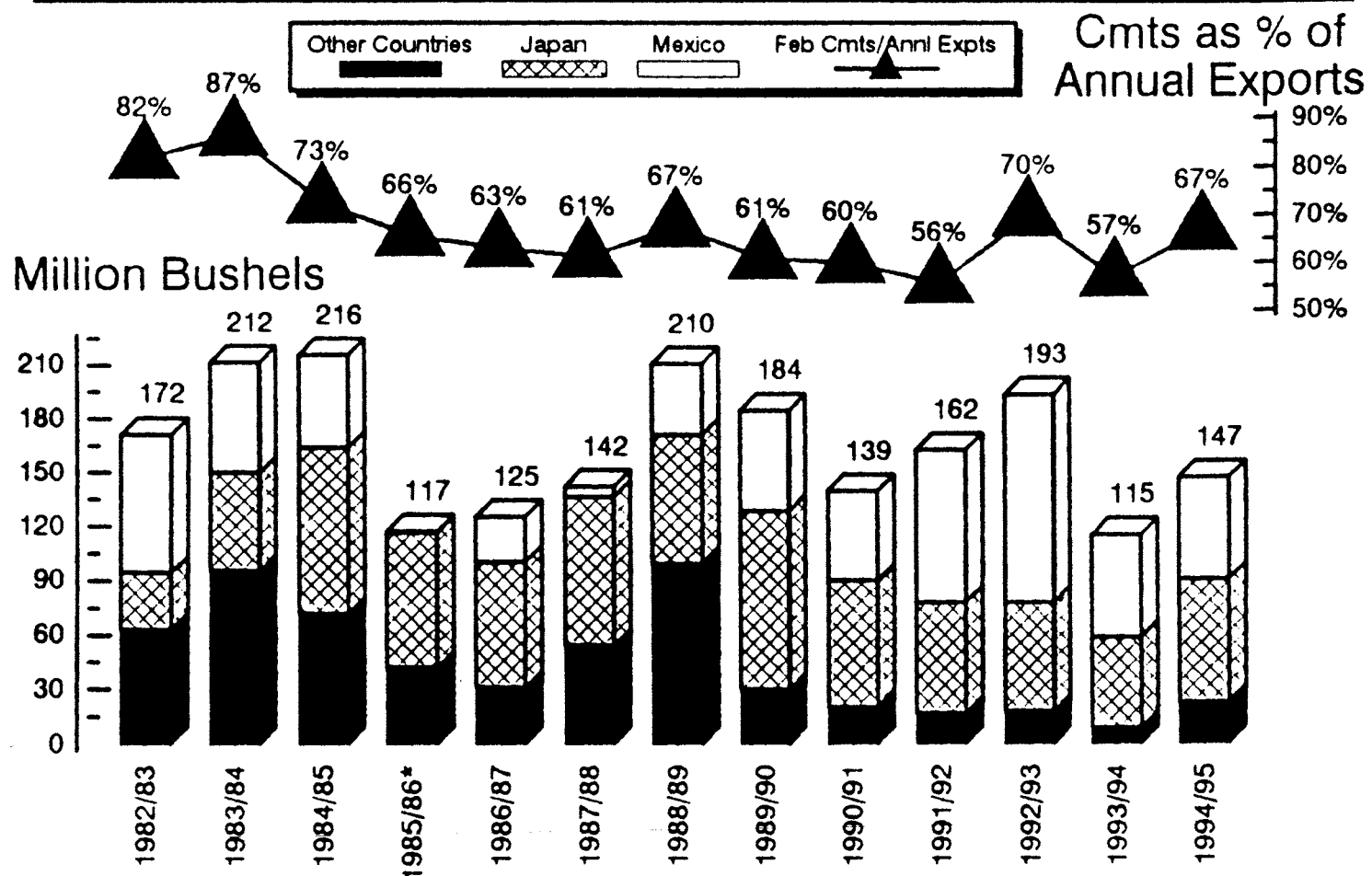


CORN EXPORT COMMITMENTS AS OF EARLY FEBRUARY



* Commitments from 1982-85 Adjusted for Sep-Aug Marketing Year

MILO EXPORT COMMITMENTS AS OF EARLY FEBRUARY



* Commitments from 1982-85 Adjusted for Sep-Aug Marketing Year

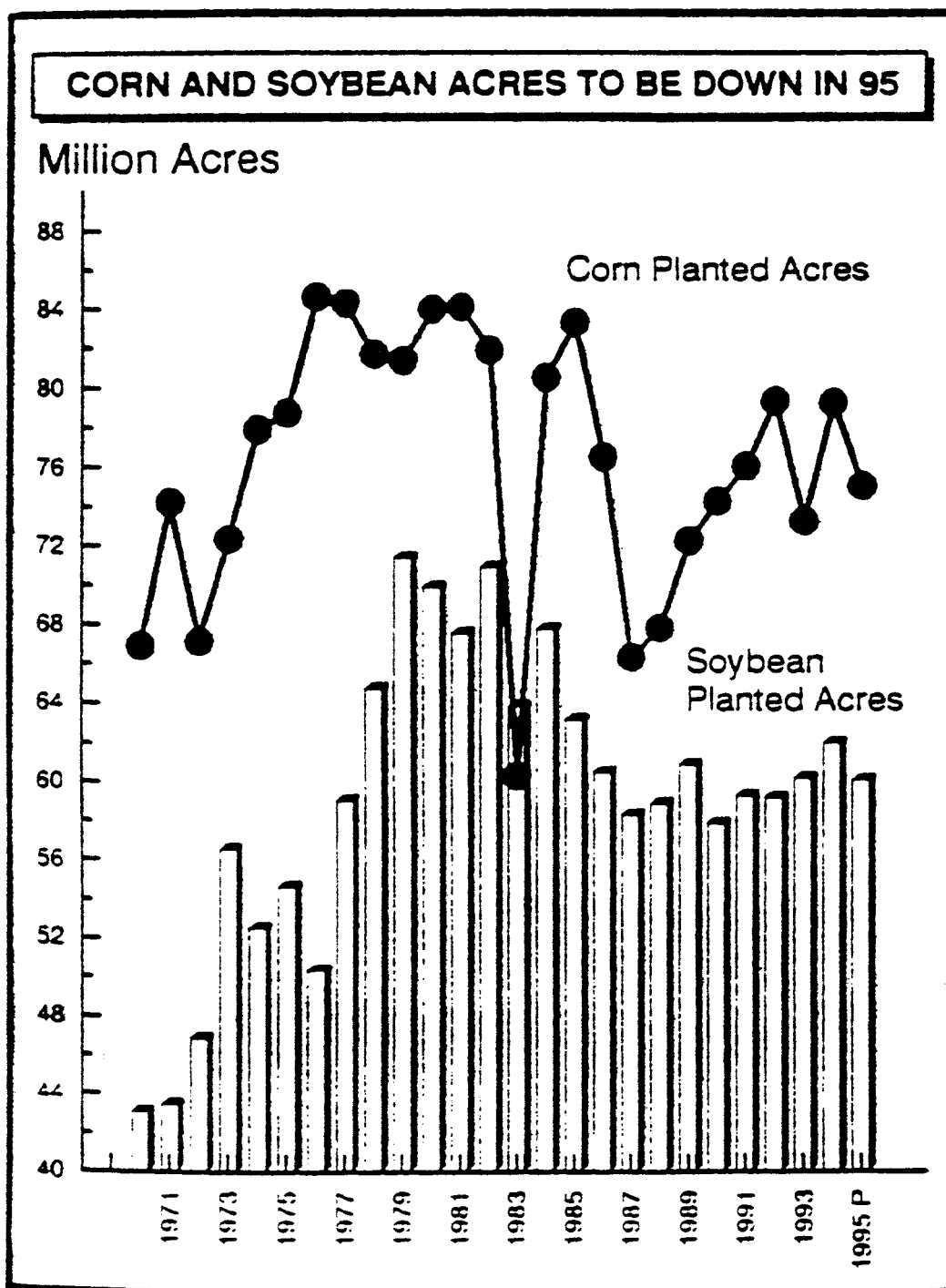


Figure 18

CORN SUPPLY/DEMAND ESTIMATES

		USDA est. Doane est.	
	1993-94	1994-95	1995-96
		<i>(Mil. bu)</i>	
Beginning stocks	2,113	850	1,658
Production	6,344	10,103	9,000
Total supply	8,477	10,958	10,663
Feed use	4,711	5,650	5,500
Food/ind./seed use	1,588	1,700	1,750
Exports	1,328	1,950	1,900
Total usage	7,628	9,300	9,150
Carryover	850	1,658	1,513
Avg. farm price \$/bu	\$2.50	\$2.10-	\$2.35
		\$2.30	

**Table IV. U.S. CORN SUPPLY-DEMAND
BALANCE -- (Million Bushels)**

8

SEP/AUG YEAR	USDA*		KSU
	<u>93/94</u>	<u>94/95</u>	<u>95/96</u>
Planted Acres	73.2	79.1	75.0
Harvested Acres	62.9	72.3	69.0
Yield	100.7	138.6	130
Production	6,336	10,103	8,970
Stocks	2,113	850	1,658
Imports	21	5	5
TOTAL SUPPLY	8,470	10,958	10,663
 FIS/1	 1,588	 1,700	 1,775
Feed & Residual	4,704	5,650	5,400
Total Exports	1,328	1,950	1,700
TOTAL USAGE	7,620	9,300	8,875
 Ending Stocks	 850	 1,658	 1,778
Free Stocks	609	965	688
Reserve	119	150	850
CCC	45	43	40
Loan	77	500	200
 Stocks/Use (%)	 11	 18	 20
 US Corn Price (\$)	 2.50	 2.20#	 2.25
Target Price (\$)	2.75	2.75	2.75
Loan Rate (\$)	1.72	1.89	1.95
Cash/Loan (%)	145	116	115

1) FIS = Food, Industry and Seed

* USDA's February Projection

Mid-point of proj. price range \$2.10-2.30

February 15, 1995

Tables-2.95

**Table V. U.S. SORGHUM SUPPLY-
DEMAND BALANCE -- (Million Bushels)**

SEP/AUG YEAR	USDA*		KSU
	<u>93/94</u>	<u>94/95</u>	<u>95/96</u>
Planted Acres	9.9	9.8	9.9
Harvested Acres	8.9	9.0	9.0
Yield	59.9	73.0	67.0
Production	534	655	603
Stocks	175	48	75
Imports	—	—	—
TOTAL SUPPLY	709	703	678
 FIS/1	 8	 8	 8
Feed & Residual	460	408	405
Exports	202	220	200
TOTAL USAGE	662	628	613
 Ending Stocks	 48	 75	 65
Free Stocks	42	44	34
Reserve	4	10	15
CCC	1	1	1
Loan	1	20	15
 Stocks/Use (%)	 7	 12	 11
 US Milo Price(\$)	 2.31	 2.05#	 2.10
Target Price (\$)	2.61	2.61	2.61
Loan Rate (\$)	1.63	1.80	1.85
Cash/Loan (%)	142	114	114

1) FIS = Food, Industry and Seed

* USDA's February Projection

Mid-point of proj. price range \$1.95-2.15

February 15, 1994

Tables-2.95

MONTHLY DECEMBER CORN FUTURES (Hi-Low-Close)

Cents/Bu.

Last Observation: February 15, 1995

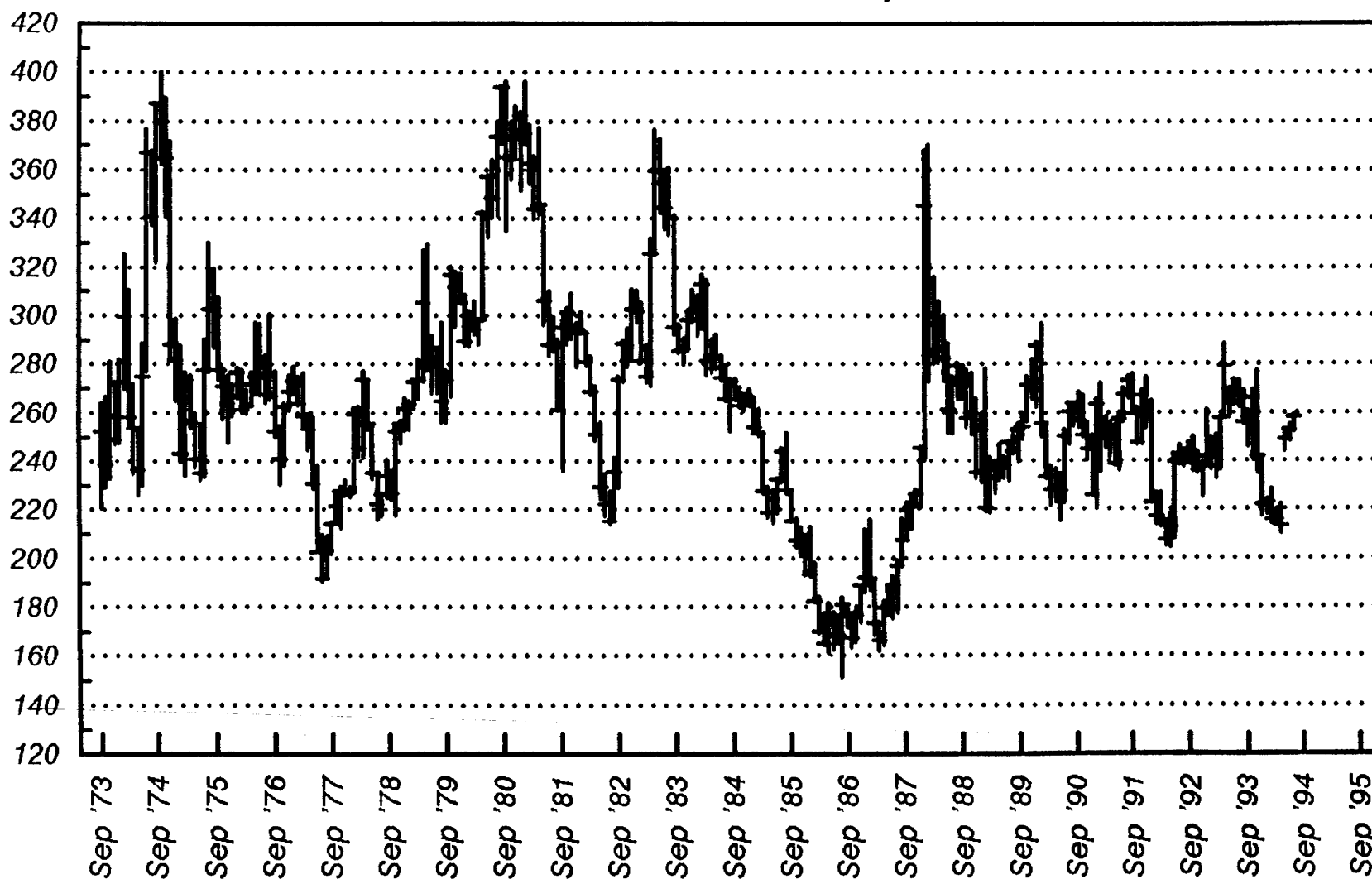
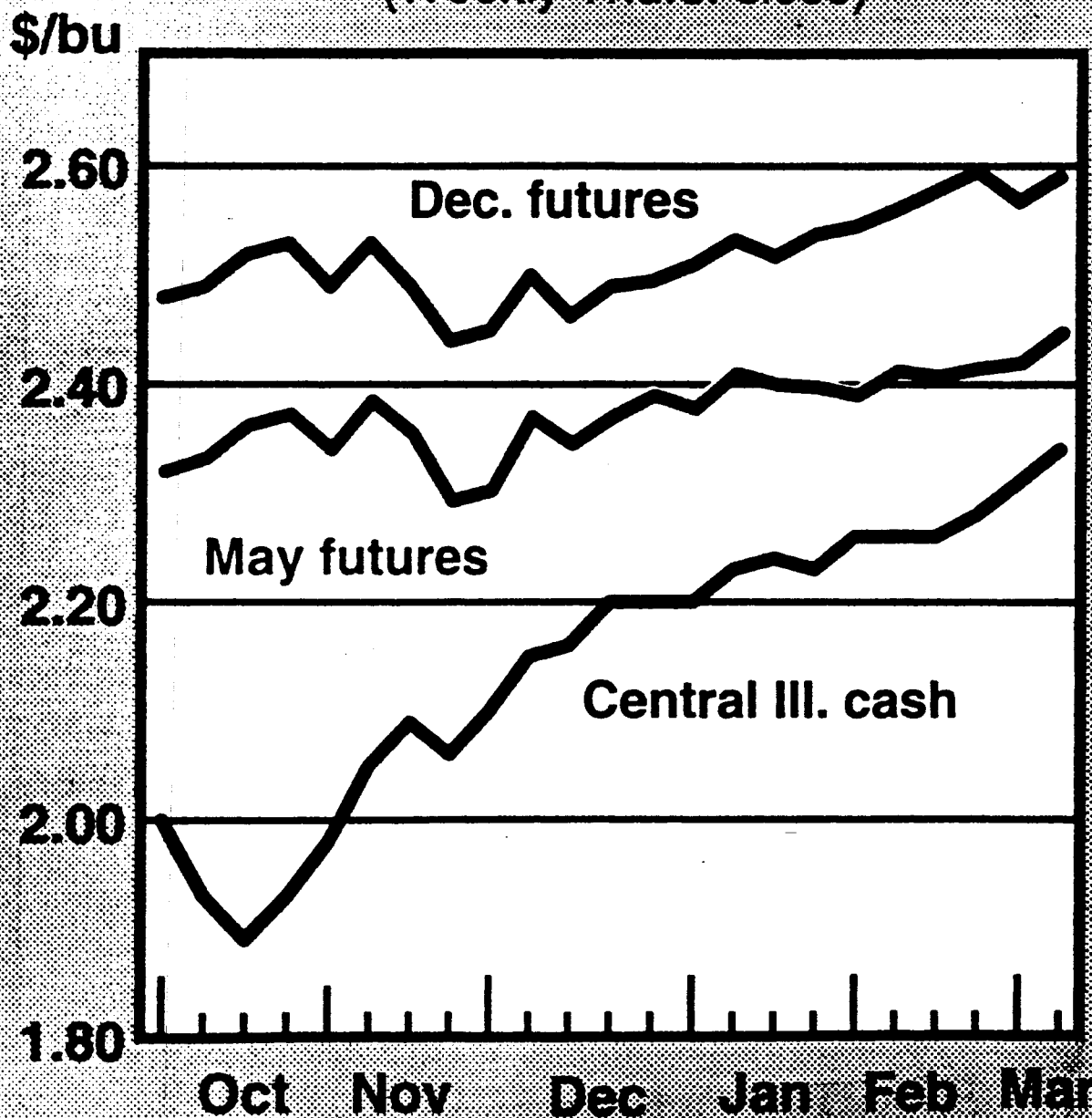


Figure 12

CORN PRICES

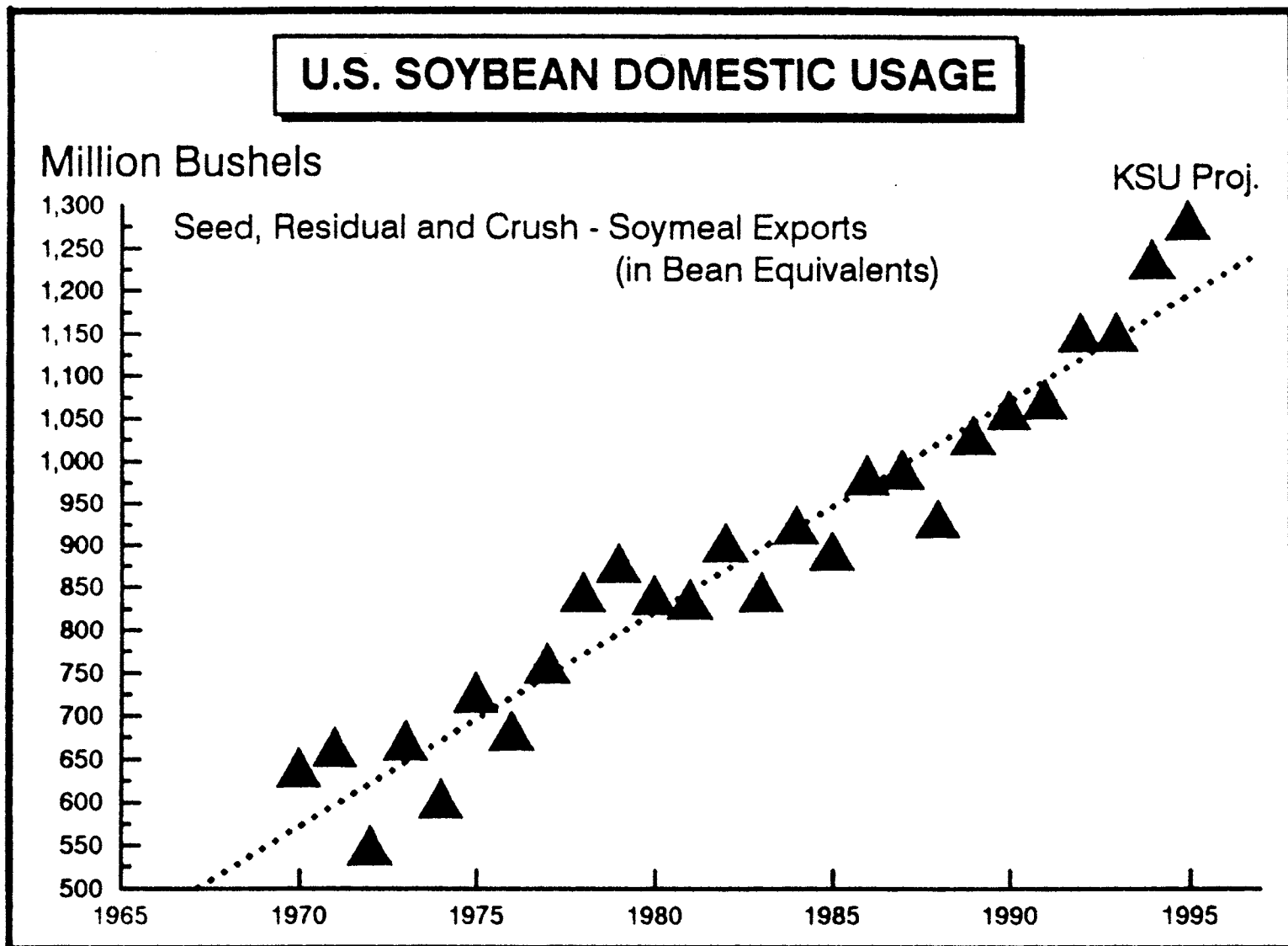
(Weekly Thurs. close)



**1995 CORN PRODUCTION BUDGET 1/
(Conventional Tillage Practices)**

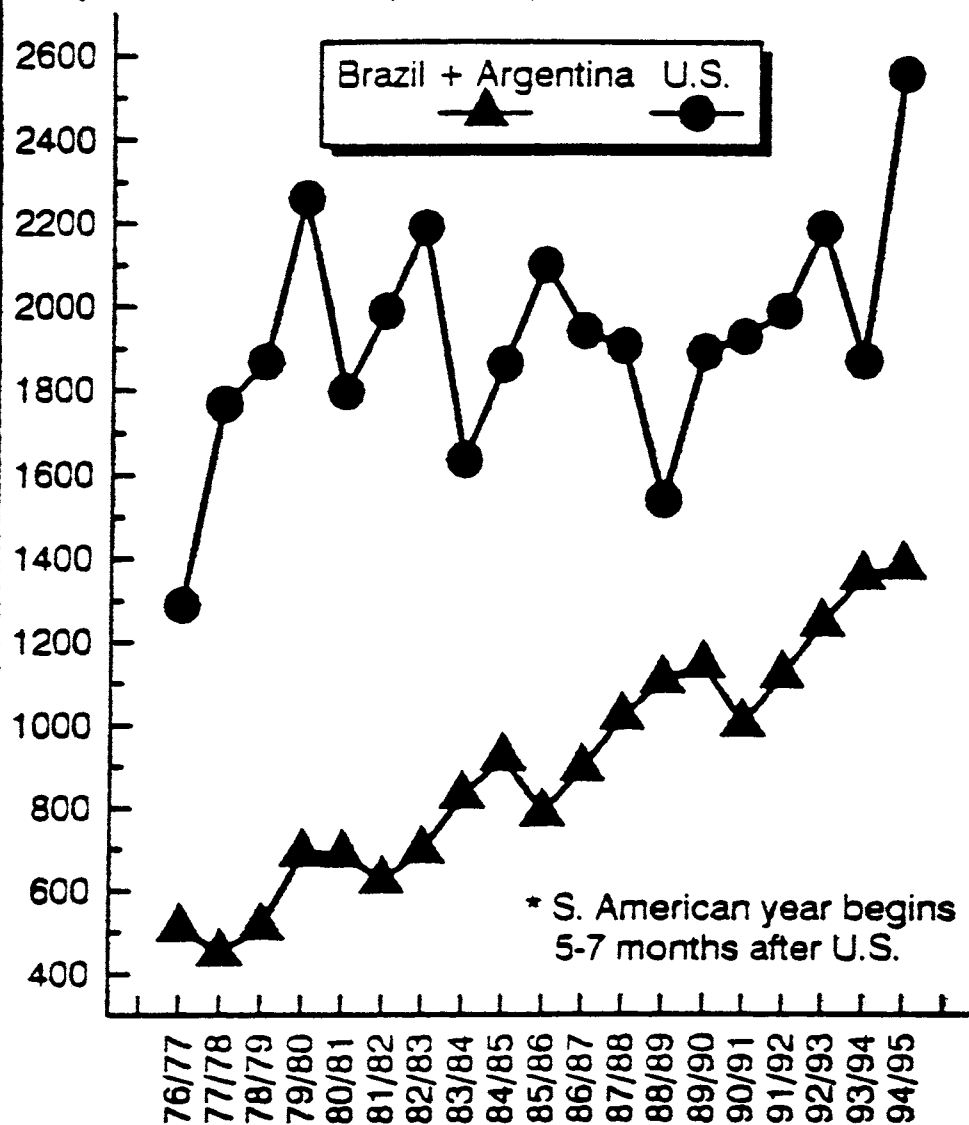
ITEM	EXPLANATION	PRICE PER			YIELD/ACRE (bu./A)			YOUR BUDGET
		UNIT			90	120	150	
RECEIPTS		\$2.30 /bu.			\$207	\$276	\$345	\$ _____
VARIABLE COSTS								
Seed (kernels)	22000 24200 26400	\$0.90 /1000 kernels			\$20	\$22	\$24	\$ _____
Fertilizer 2/								
N (lbs.)	80 160 175	\$0.24 /lb.			\$19	\$38	\$42	_____
P205 (lbs.)	35 45 55	\$0.23 /lb.			\$8	\$10	\$13	_____
K20 (lbs.)	45 50 60	\$0.13 /lb.			\$6	\$7	\$8	_____
Lime (lbs.)	1000	\$13.50 /T.			\$7	\$7	\$7	_____
Chemicals 3/					\$19	\$19	\$19	_____
Fuel, Oil, Grease					\$7	\$8	\$9	_____
Drying-Fuel & Electric Only	Dry 10 points	\$0.01 /point			\$9	\$12	\$15	_____
Trucking - Fuel Only		\$0.03 /bu.			\$3	\$4	\$5	_____
Repairs					\$5	\$6	\$7	_____
Miscellaneous 4/					\$11	\$12	\$13	_____
Int. on Oper. Cap. 5/	7 mo.	9%			\$5	\$7	\$7	_____
Hired Labor 6/					\$0	\$0	\$0	_____
TOTAL VARIABLE COSTS - Per Acre					\$119	\$152	\$169	\$ _____
- Per Bushel					\$1.32	\$1.27	\$1.13	\$ _____
FIXED COSTS								
Labor Charge 6/ 7/	1.5 hours	\$7.50 /hr.			\$11	\$11	\$11	\$ _____
Mach. & Equip. Charge 7/					\$57	\$57	\$57	_____
Land Charge	Rent				\$35	\$70	\$105	_____
Management Charge	5% of Gross				\$11	\$14	\$17	_____
TOTAL FIXED COSTS					\$114	\$152	\$190	\$ _____
TOTAL COSTS - Per Acre					\$233	\$304	\$359	\$ _____
- Per Bushel					\$2.59	\$2.53	\$2.39	\$ _____
RETURN ABOVE VARIABLE COSTS					\$88	\$124	\$176	\$ _____
RETURN ABOVE TOTAL COSTS					(\$25)	(\$28)	(\$14)	\$ _____

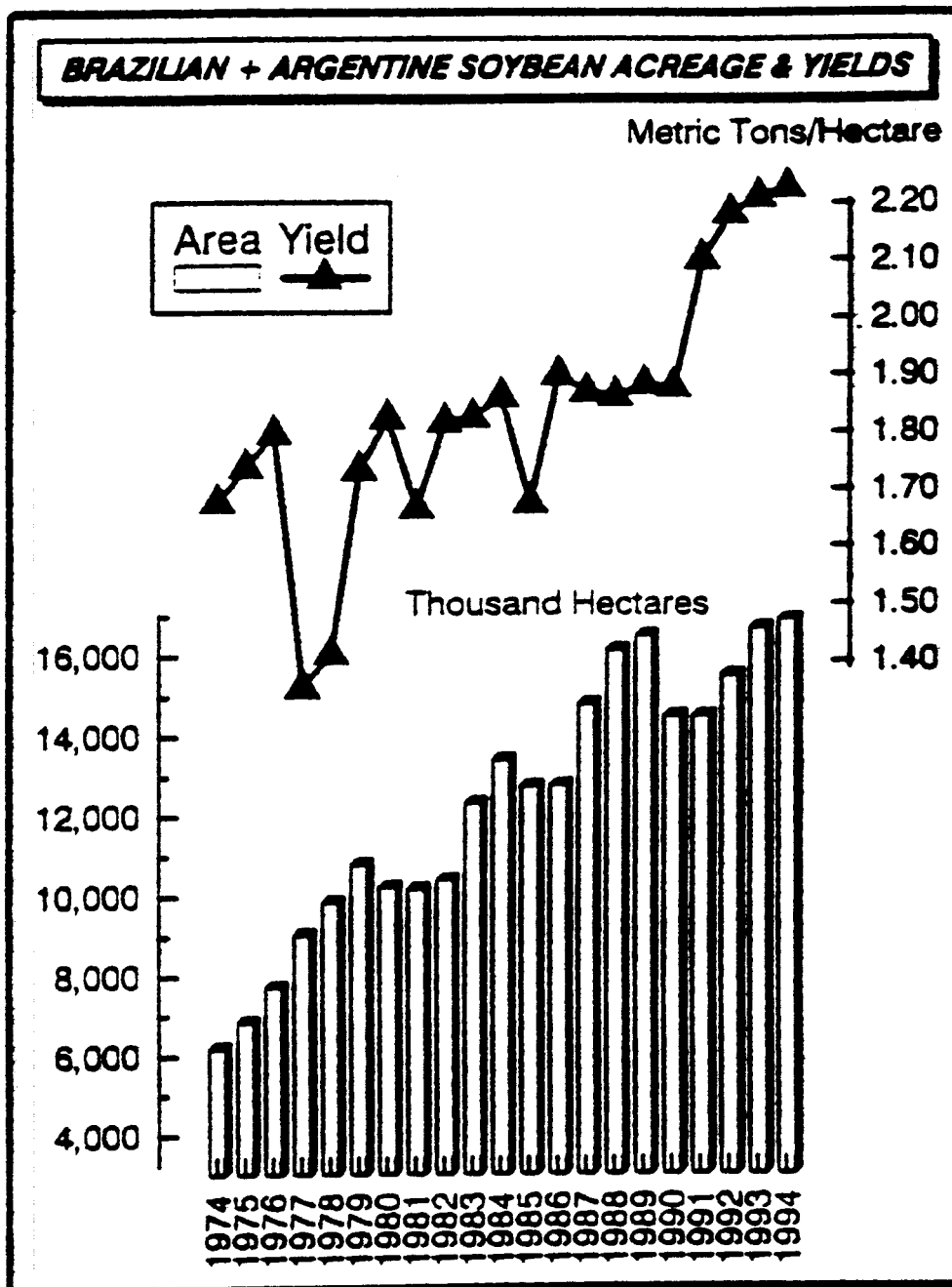
Figure 19

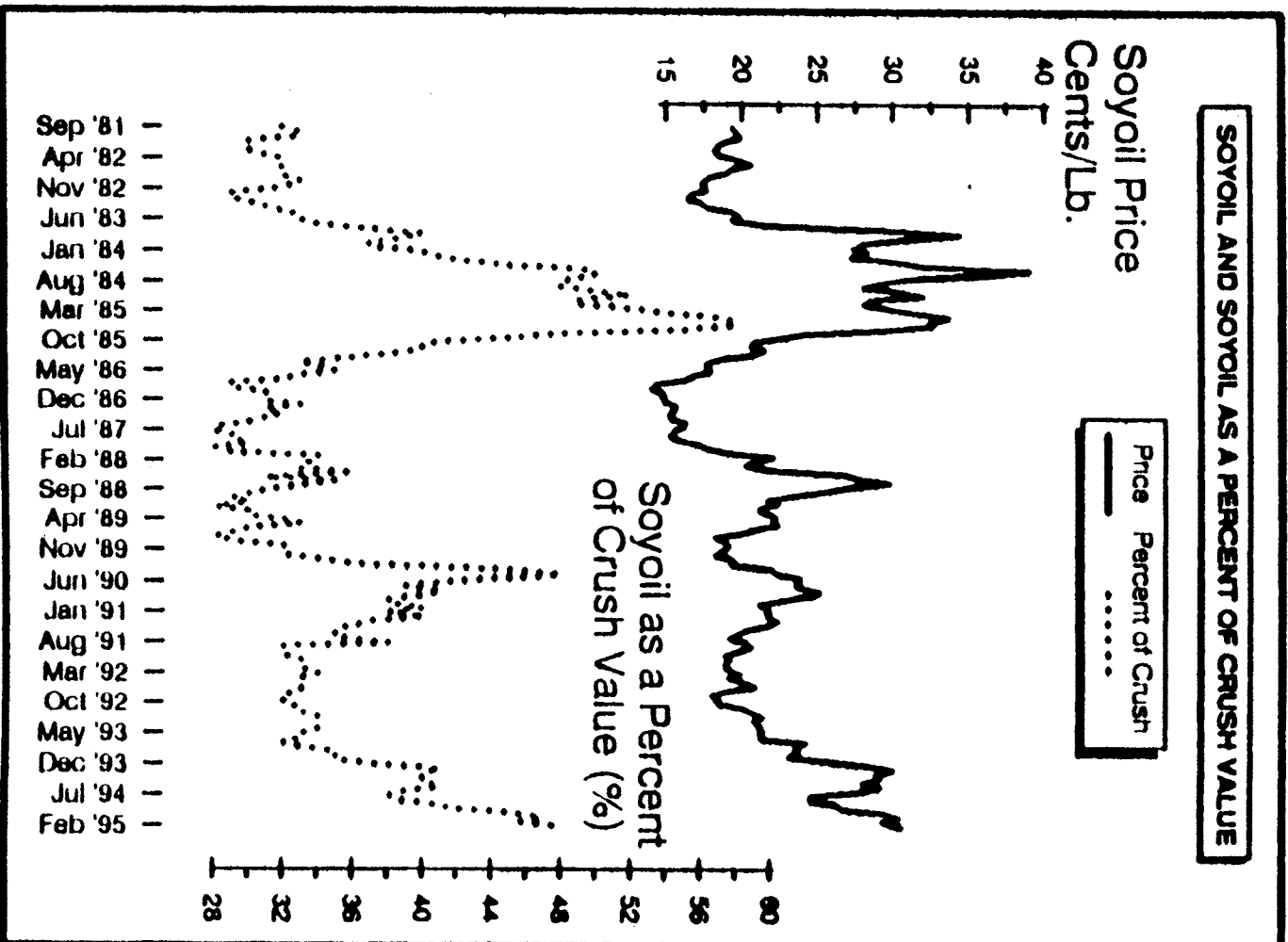


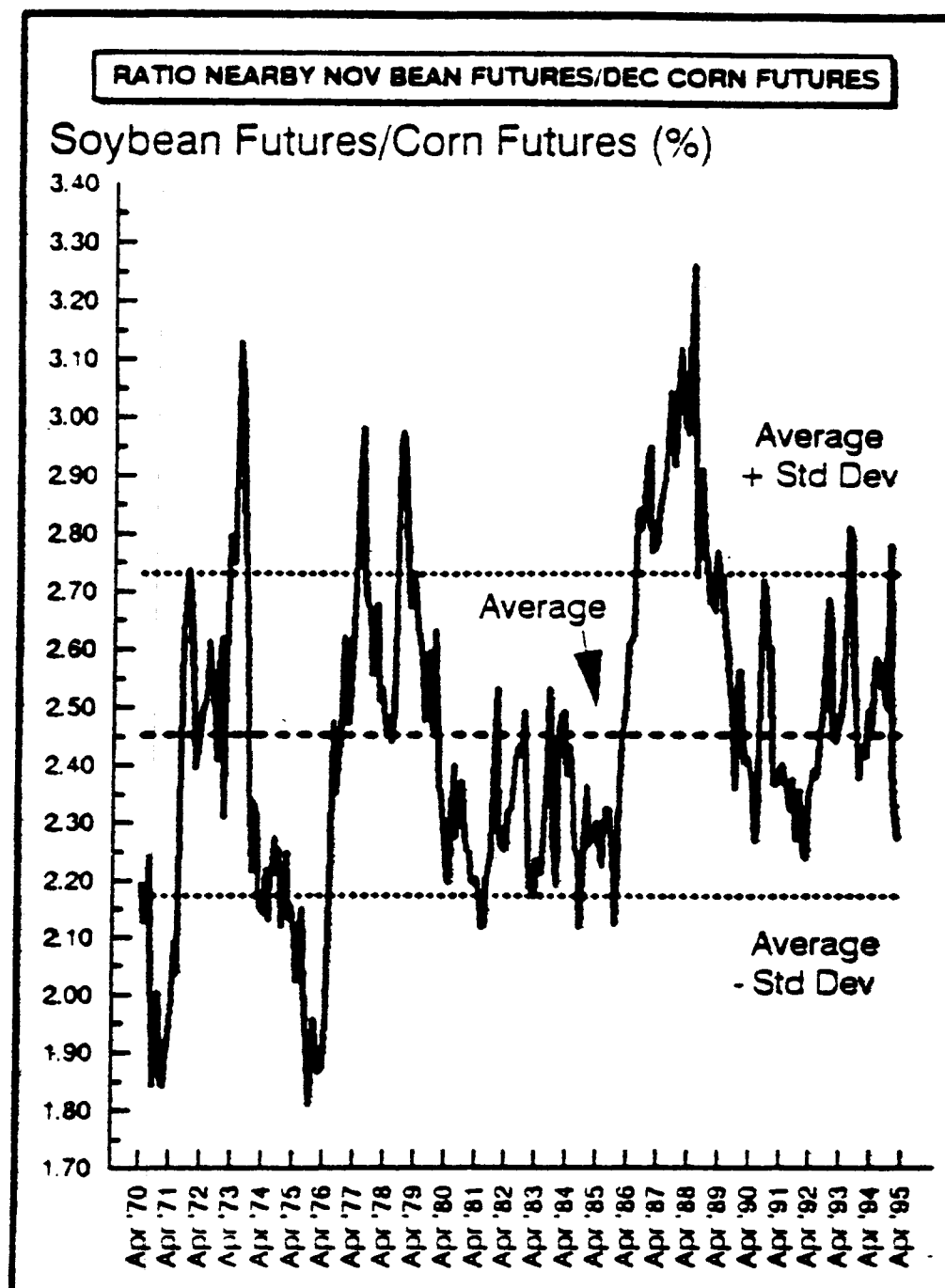
**1994/95 SAW RECORD SOYBEAN CROPS
FOR THE U.S. AND SOUTH AMERICA**

Soybean Production (Mln. Bu.)









**RATIO NEARBY NOV BEAN FUTURES/DEC CORN FUTURES
1960 - 1994 SEASONAL INDEX**

Soybean Futures/Corn Futures (%)

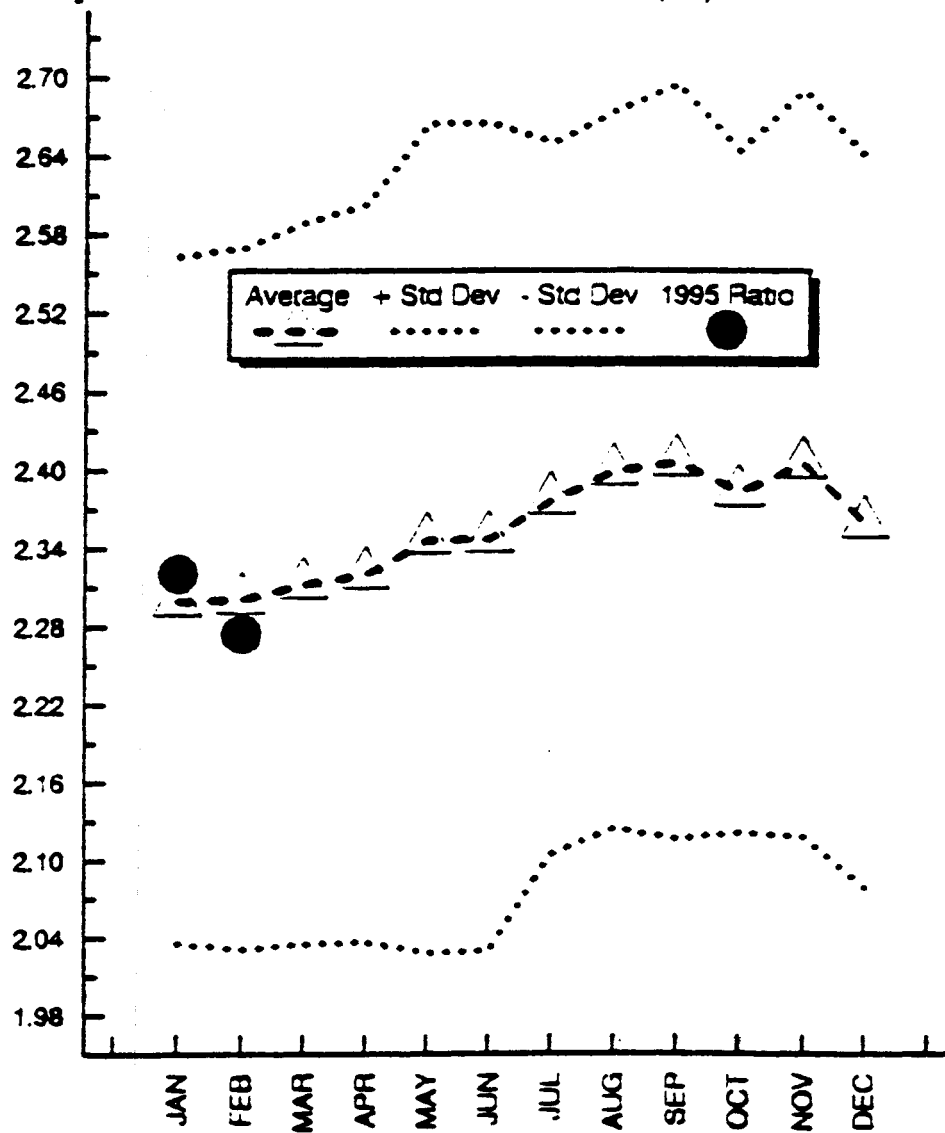
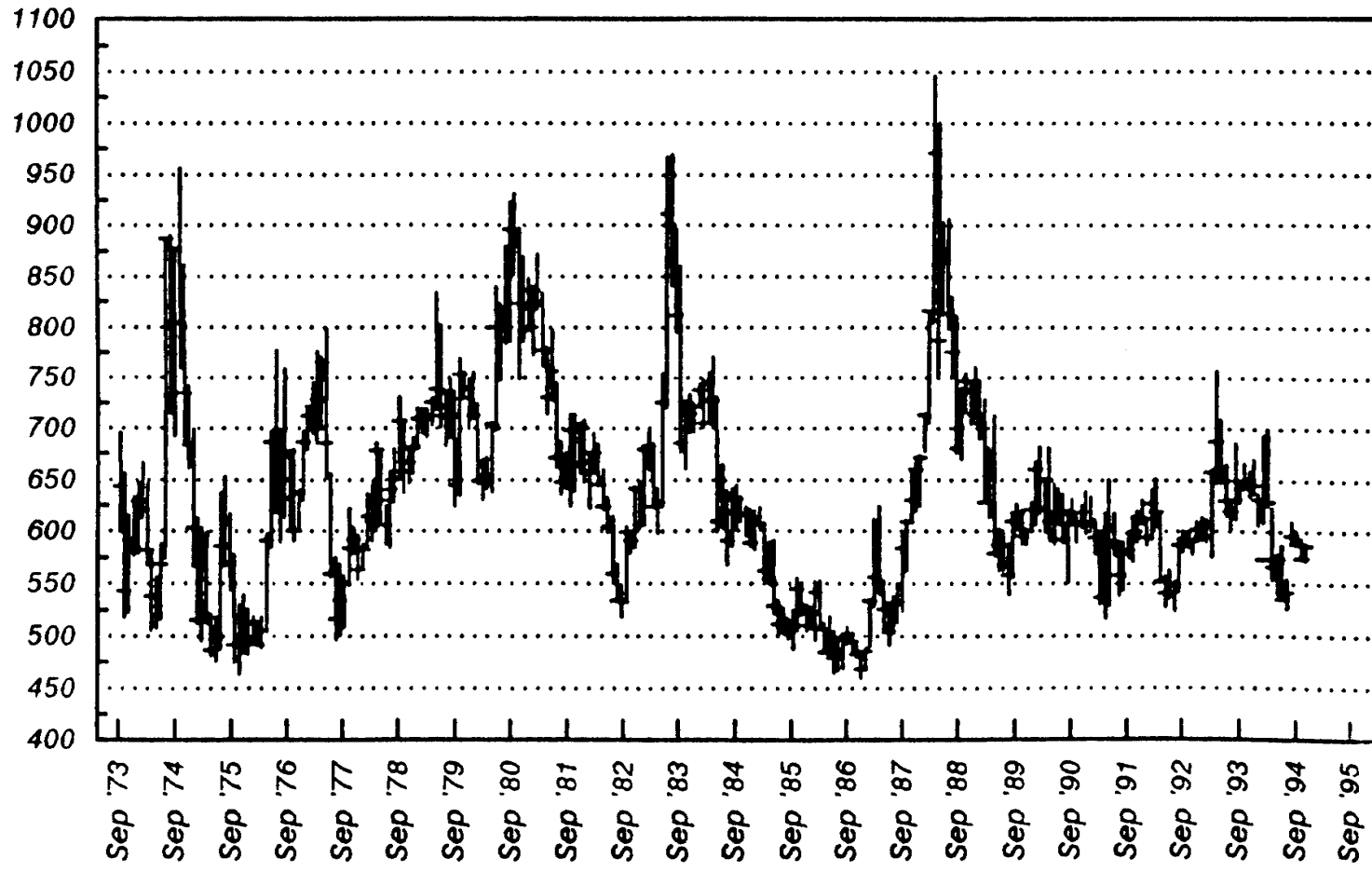


Figure 20

MONTHLY NOVEMBER SOYBEAN FUTURES (Hi-Low-Close)

Cents/Bu.

Last Observation: February 15, 1995



SOYBEAN SUPPLY/DEMAND ESTIMATES

		USDA est. Doane est.	
	1993-94	1994-95	1995-96
		<i>(Mil. bu)</i>	
Beginning stocks	292	209	510
Production	1,871	2,558	2,300
Total supply	2,170	2,775	2,815
Crush	1,272	1,365	1,400
Exports	589	785	820
Total usage*	1,961	2,265	2,335
Carryover	209	510	480
Avg. farm price \$/bu	\$6.40	\$5.20-	\$5.25
		\$5.50	

** Includes seed and residual.*

**Table IX. U.S. SOYBEAN SUPPLY-
DEMAND BALANCE -- (Million Bushels)**

SEP/AUG YEAR	<u>93/94</u>	USDA* <u>94/95</u>	KSU <u>95/96</u>
Planted Acres	60.1	61.9	60.0
Harvested Acres	57.3	61.1	59.0
Yield	32.6	41.9	37.5
Production	1,869	2,558	2,210
Stocks	292	209	510
Imports	6	5	5
TOTAL SUPPLY	2,167	2,775	2,725
Seed	67	63	61
Residual	30	52	45
Crushings	1,272	1,365	1,435
Exports	589	785	750
TOTAL USAGE	1,958	2,265	2,291
Ending Stocks	209	510	434
Free Stocks	135	345	319
CCC	-0-	15	15
Loan	15	150	100
Stocks/Use (%)	11	23	19
US Bean Price (\$)	6.40	5.35#	5.70
Loan Rate (\$)	4.92	4.92	4.92
Cash/Loan (%)	130	109	116

* USDA's February Projection

Mid-point of proj. price range \$5.20-5.50

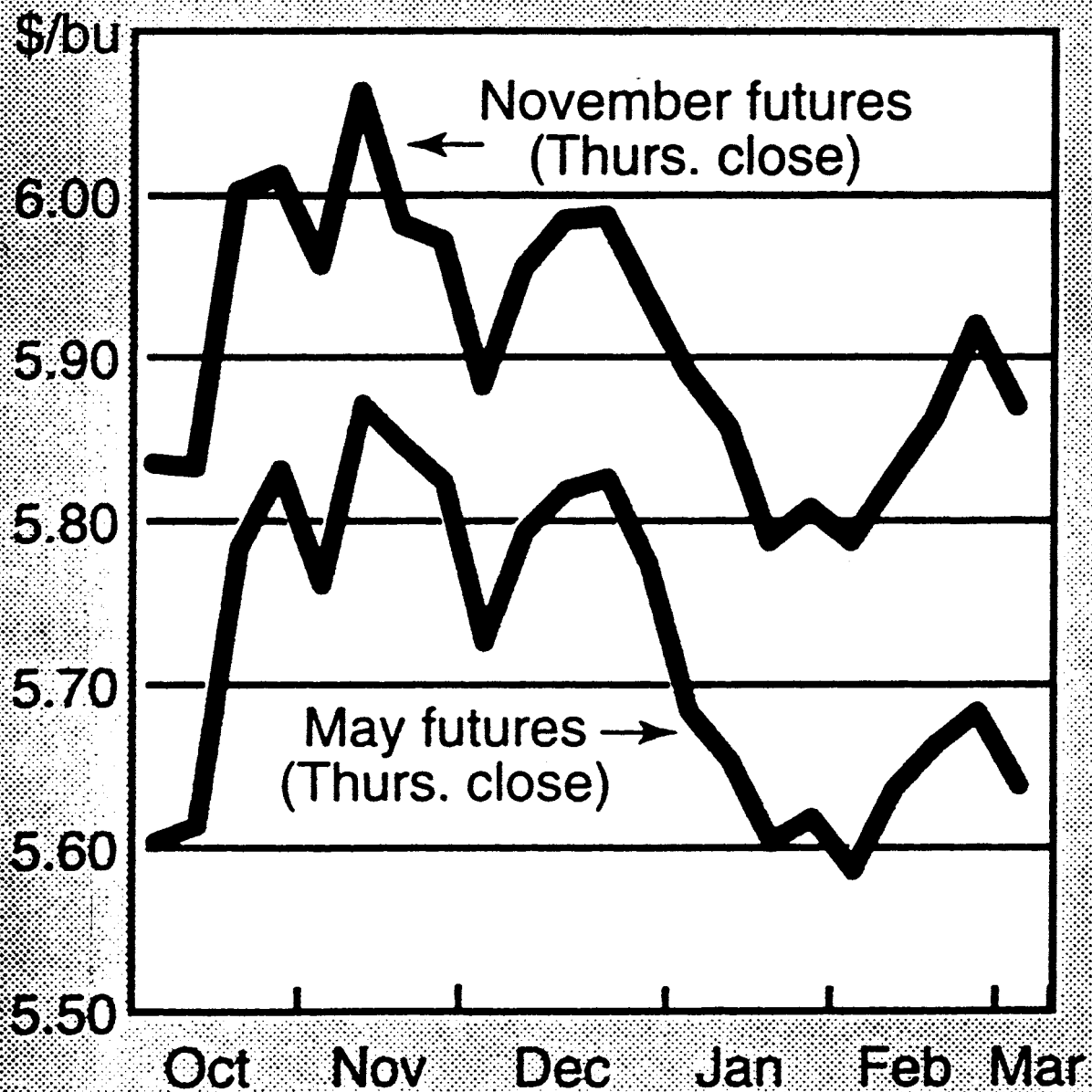
February 15, 1995

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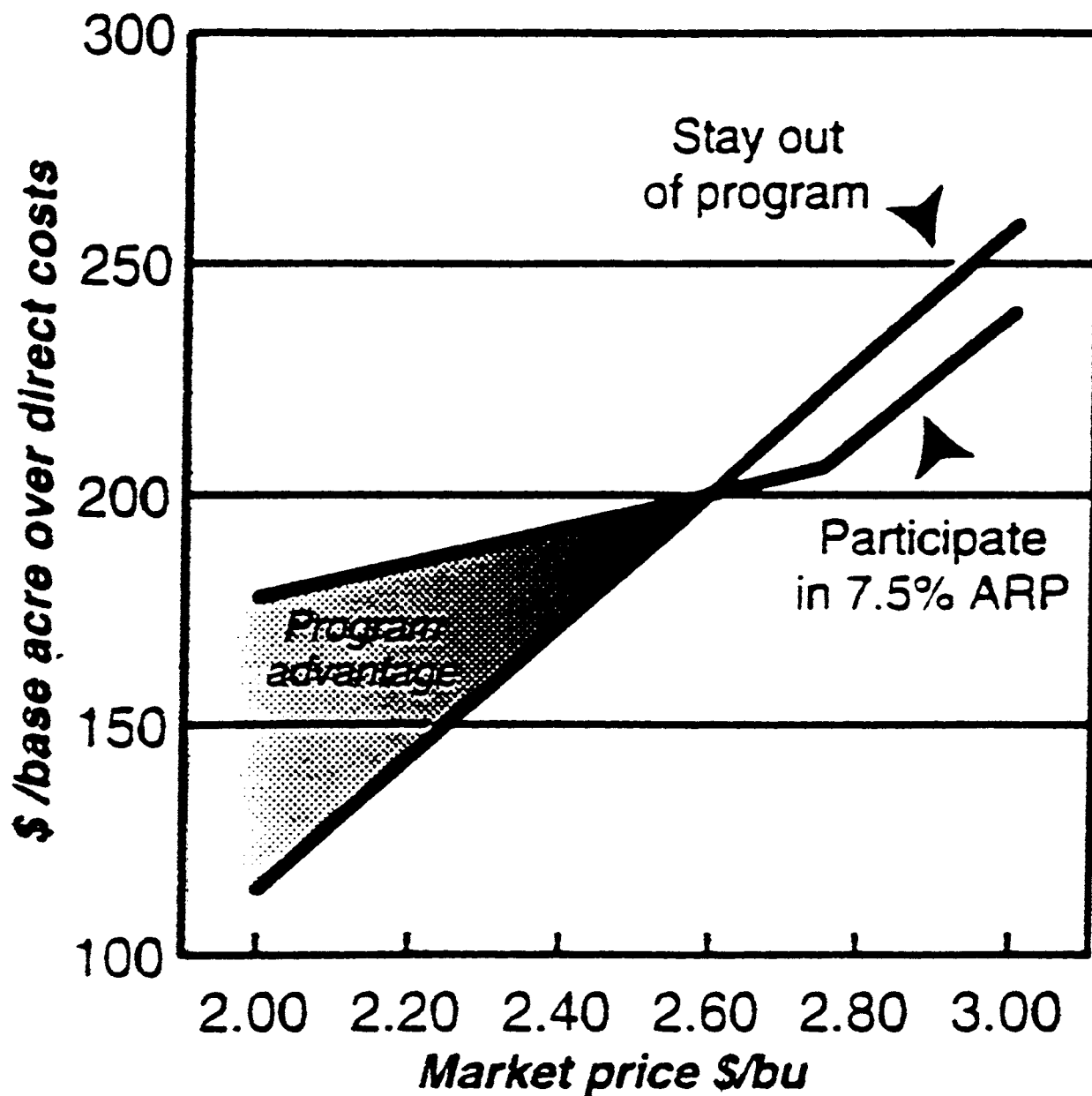
1995 SOYBEAN PRODUCTION BUDGET 1/
(Conventional Tillage Practices)

ITEM	EXPLANATION			PRICE PER UNIT	YIELD/ACRE (bu./A)			YOUR BUDGE
					30	40	50	
RECEIPTS				\$5.75 /bu.	\$173	\$230	\$288	\$ _____
VARIABLE COSTS								
Seed		1.25 bu.		\$10.25 /bu.	\$13	\$13	\$13	\$ _____
Fertilizer 2/ P2O5 (lbs.)	25	30	40	\$0.23 /lb.	\$6	\$7	\$9	_____
K2O (lbs.)	60	75	90	\$0.13 /lb.	\$8	\$10	\$12	_____
Lime (lbs.)		1000		\$13.50 /T.	\$7	\$7	\$7	_____
Chemicals 3/ Fuel, Oil, Grease					\$29	\$29	\$29	_____
Trucking - Fuel Only				\$0.03 /bu.	\$7	\$8	\$9	_____
Repairs					\$1	\$1	\$2	_____
Miscellaneous 4/ Int. on Oper. Cap. 5/					\$5	\$6	\$7	_____
Hired Labor 6/		6 mo.		9%	\$11	\$12	\$13	_____
					\$4	\$4	\$4	_____
					\$0	\$0	\$0	_____
					----	----	----	----
TOTAL VARIABLE COSTS - Per Acre					\$91	\$97	\$105	\$ _____
- Per Bushel					\$3.03	\$2.43	\$2.10	\$ _____
FIXED COSTS								
Labor Charge 6/ 7/		1.5 hours		\$7.50 /hr.	\$11	\$11	\$11	\$ _____
Mach. & Equip. Charge 7/					\$57	\$57	\$57	_____
Land Charge		Rent			\$35	\$70	\$105	_____
Management Charge		5% of Gross			\$9	\$12	\$14	_____
					----	----	----	----
TOTAL FIXED COSTS					\$112	\$150	\$187	\$ _____
TOTAL COSTS - Per Acre					\$203	\$247	\$292	\$ _____
- Per Bushel					\$6.77	\$6.18	\$5.84	\$ _____
RETURN ABOVE VARIABLE COSTS					\$82	\$133	\$183	\$ _____
RETURN ABOVE TOTAL COSTS					(\$30)	(\$17)	(\$4)	\$ _____

SOYBEAN PRICES

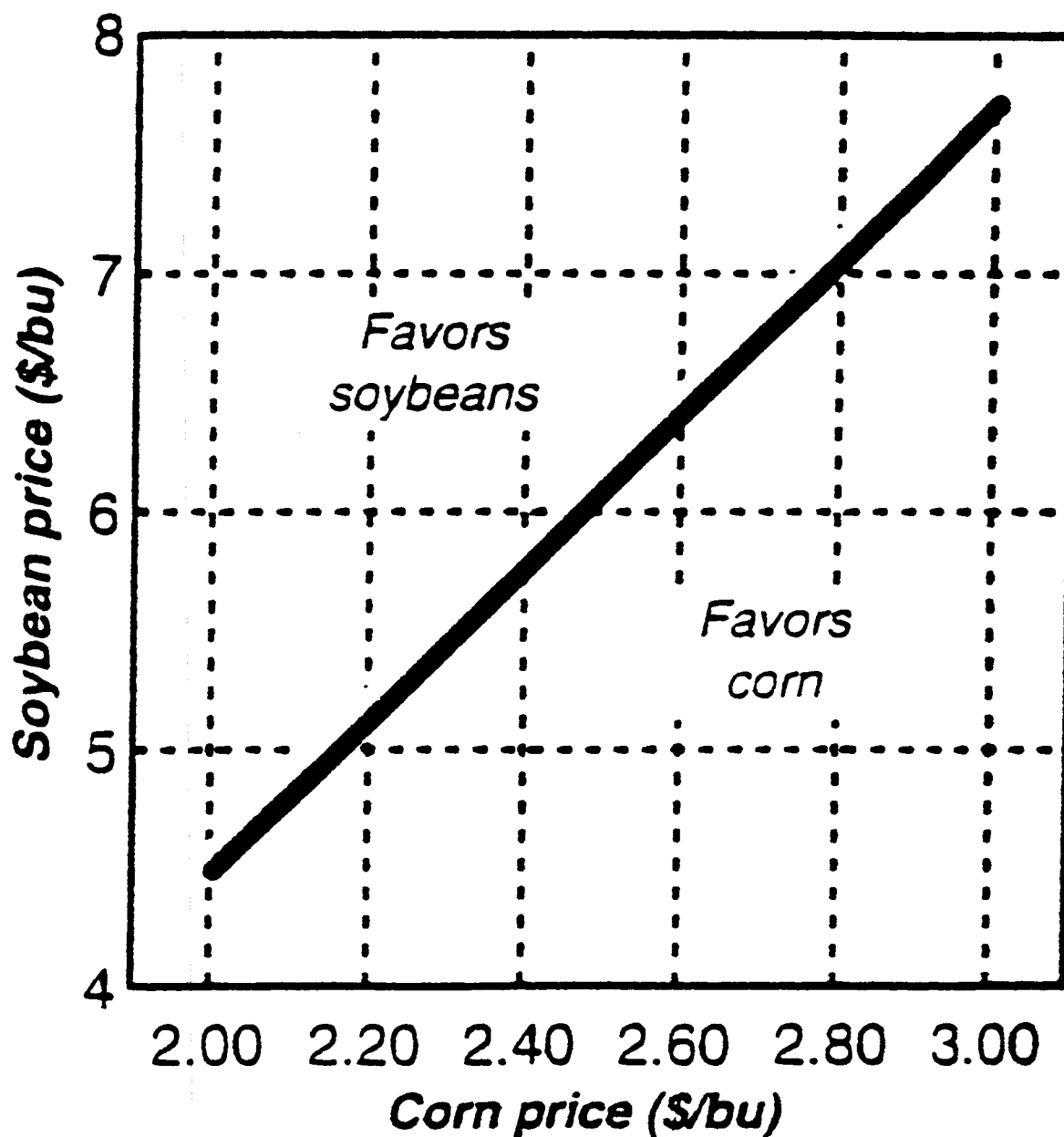


CORN PROGRAM RETURNS VS. FULL PRODUCTION*



*ASCS yield 125 bu/a. Expected yield 145 bu/a.
Direct costs \$175/a.

CORN VS. SOYBEANS ON NORMAL FLEX ACREAGE*



*Corn: expected yield 145 bu/a. Direct costs \$175.
Soybeans: expected yield 45 bu. Direct costs \$90.

WHEAT PRICES

(Weekly Thurs. close)

\$/bu

